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Hart Schaffner & Marx

Fourth Annual Report, November 30, 1914
with
Auditors' Certificate



Hart Schaffner & Marx

Chicago

New York

New York, January 25, 1915.

To the Stockholders:

The Board of Directors submit herewith the financial statements of the Company for the fiscal period ending on November 30, 1914, together with the report of the Auditors, Messrs. Price, Waterhouse & Co., Certified Public Accountants.

Last year the Stockholders amended the by-laws making the fiscal year end on November 30 instead of December 31, as heretofore; hence, the report now submitted is for a period of eleven months only, from January 1 to November 30, 1914.

Respectfully submitted,

HARRY HART,

President.

Auditors' Report

To the Stockholders of

Hart Schaffner & Marx :

We have examined the books and accounts of Hart Schaffner & Marx for the fiscal period of eleven months ending on November 30, 1914, and certify that the attached Balance Sheet and Income Account are correctly prepared therefrom.

The Merchandise and Materials on hand, as shown by Inventories certified by the responsible officials, have been valued at or below cost prices, due allowance having been made for possible shrinkage in value of Merchandise carried over. Liberal Reserves have been made for Bad and Doubtful Accounts Receivable, Discounts and other contingencies, and full provision has been made for all ascertained Liabilities, while the Cash and Bank Balances have been verified by actual count or by certificates obtained from the depositories; and

WE CERTIFY that, in our opinion, the Balance Sheet is properly drawn up so as to show the true financial position of the company on November 30, 1914, and that the relative Income Account is a fair and correct statement of the Net Profits and Income for the period.

PRICE, WATERHOUSE & CO.,

Certified Public Accountants.

Chicago, January 8, 1915.

Hart Schaffner & Marx

Balance Sheet, as at November 30, 1914

Assets

GOODWILL, TRADE NAMES AND TRADE MARKS.....		\$15,000,000.00
SHOP EQUIPMENT AND FIXTURES, INCLUDING.....		
OFFICE FURNITURE.....	\$397,354.74	
LESS—Depreciation Reserve.....	116,056.20	281,298.54
CURRENT ASSETS:		
Inventories of Materials and Finished and Partly Finished Merchandise on hand (at or below cost).....	\$2,566,084.06	
Accounts and Bills Receivable, (net).....	2,988,869.00	
Cash in Banks and on Hand.....	778,668.59	6,333,621.65
DEFERRED CHARGES TO FUTURE OPERATIONS:		
Prepaid Insurance Premiums.....		8,919.59
		<u>\$21,623,839.78</u>

CAPITAL STOCK:

Liabilities

Preferred Stock—		
Originally Authorized and Issued—		
50,000 Shares of \$100.00 each.....	\$5,000,000.00	
LESS:		
Redeemed and Cancelled—4,000 Shares of \$100.00 each.....	\$400,000.00	
Purchased during year and held in the Treasury for cancellation—3,000 Shares of \$100.00 each.....	300,000.00	700,000.00
Outstanding—43,000 Shares of \$100.00 each.....		<u>\$4,300,000.00</u>
Common Stock—		
Authorized, Issued and Outstanding—		
150,000 Shares of \$100.00 each.....	15,000,000.00	\$19,300,000.00
CURRENT LIABILITIES:		
Accounts and Vouchers Payable.....	\$150,563.54	
Accrued Liabilities for Pay Rolls, Salaries, Taxes, etc.	202,439.89	
Preferred Stock Dividend (Payable Dec. 31, 1914).....	74,926.25	427,929.68
RESERVE FUNDS:		
Preferred Stock Redemption Fund.....	\$700,000.00	
Reserve for Contingencies.....	150,000.00	850,000.00
SURPLUS as per Statement below.....		<u>1,045,910.10</u>
		<u>\$21,623,839.78</u>

Income and Surplus Account

For the Eleven Months Ending November 30, 1914

Profits for the period after deducting all Expenses of Manufacturing and Marketing, including adequate Allowances for Federal Income Tax, loss on Merchandise carried over, Discounts on Customers' Accounts, Contingent Losses on the liquidation of Receivables and for Depreciation of Shop Equipment, Fixtures, Etc.....	\$1,159,765.98	
ADD—Interest Received.....	55,706.81	
Total Profits and Income.....	<u>\$1,215,472.79</u>	
DEDUCT—Interest paid on Customers' Advance Payments and on Bills Payable.....	41,340.08	
Net Profits and Income for the period.....	<u>\$1,174,132.71</u>	
DEDUCT—Appropriations therefrom—Preferred Stock Dividends paid and declared, 7% per annum.....	\$305,714.64	
Preferred Stock Redemption Fund.....	300,000.00	
Premiums paid on Preferred Stock purchased.....	10,485.98	616,200.62
Net Surplus for the 11 months period.....		\$ 557,932.09
ADD—Balance of Surplus at January 1, 1914.....		487,978.01
Total Unappropriated Surplus at November 30, 1914, as per Balance Sheet.....		<u>\$1,045,910.10</u>